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AZ CORP COMMISSION
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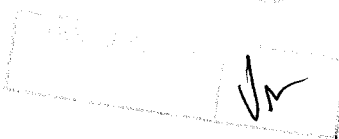
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December 27, 2000

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007-2996

Arizona Corporation Commission
DOCKETED

DEC 28 2000



RE: Docket No. T-03044A-95-0461

Dear Docket Clerk:

Enclosed you will find the original and 10 copies of "ASC Telecom, Inc. dba Alternatel's Response to Staff's December 4, 2000 Request for Additional Information in Docket No. T-03044A-95-0461.

Thank you for your assistance in this matter. Feel free to contact me with any questions or concerns you may have.

Sincerely,

Darren S. Weingard/km
Darren S. Weingard

DSW:km

Enclosures

cc: Marta Kalleberg

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BEFORE THE ARIZONA CORPORATION COMMISSION

2000 DEC 28 A 11:40

CARL J. KUNASEK

Chairman

JIM IRVIN

Commissioner

WILLIAM A. MUNDELL

Commissioner

AZ CORP COMMISSION
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IN THE MATTER OF APPLICATION AND) Docket No. T-03044A-95-0461
PETITION FOR CERTIFICATE OF)
CONVENIENCE AND NECESSITY TO) **ASC TELECOM, INC. dba**
PROVIDE COMPETITIVE) **ALTERNATEL'S RESPONSE TO**
TELECOMMUNICATIONS SERVICES AS) **STAFF'S DECEMBER 4, 2000 REQUEST**
A RESELLER) **FOR ADDITIONAL INFORMATION**

I. INTRODUCTION

On or about December 4, 2000, ASC Telecom, Inc. dba Alternatel ("Alternatel") received a letter from Ms. Marta Kalleberg of the Staff of the Arizona Corporation Commission ("Commission") seeking additional information regarding Alternatel's application for a Certificate of Convenience and Necessity ("CC&N") to provide telecommunications services in Arizona. The request for information indicates that Staff seeks additional information due to a "recent Arizona Superior Court ruling regarding fair value . . ." (December 4, 2000 Letter, pg. 1).

In October, 2000, Sprint filed comments in Docket No. T-024248A-99-0692 on behalf of itself and Alternatel regarding the Commission's proposal to require certain fair value rate base information from competitive carriers which have pending applications for CC&N. Sprint continues to assert that requiring "fair value" information from competitive carriers is unnecessary and improper until the mandate of the Arizona Court of Appeal issues its mandate,

1 and the matter is clarified by the Arizona Supreme Court. See e.g. U S WEST Communications,
2 Inc. v. ACC, 8 P.3d 390 (Az. Ct. App. August 29, 2000). Moreover, requiring rate of return-
3 style information from non-facilities based resellers such as Alternatel remains of questionable
4 use. See In re: Extelcom, Inc., dba Express Tel., Docket No. U-2543-89-288 (Decision No.
5 58941, 1995 WL 131334 (A.A.C. January 12, 1995).

6
7 However, without waiving any of its objections, Alternatel responds to Staff's request,
8 and is hopeful that its application, which has been pending since November 6, 1995, can be
9 resolved promptly. Additionally, as the requests for additional information seek projected data,
10 Alternatel provides such responses on the basis of information presently known to it, and
11 reserves the right to amend and/or supplement such responses if additional information warrants.

12 II. STAFF'S REQUESTS FOR ADDITIONAL INFORMATION

- 13
14 **A. Please provide the projected total revenue for the first twelve months**
15 **of service. This calculation must assume the Company is charging the**
16 **maximum rate requested in its tariff. Total revenue should be**
17 **calculated as the number of units sold for all services offered times the**
18 **maximum charged per unit.**

19 Response to Request A:

20 Revenues associated with intrastate traffic: \$133,067

- 21 **B. Please Provide the projected value of total operating expenses for the**
22 **first twelve months of service.**

23 Response to Request B:

24 Expenses associated with intrastate traffic: \$75,175
25
26
27
28

1 C. Please provide the projected value of all assets to be used to provide
2 telecommunications service to Arizona customers for the first twelve
3 months of service. Please be aware that assets are not limited to plant
4 and equipment. Items such as office equipment and office supplies
5 should be included in this figure.

6 Response to Request C:

7 Alternatel is a non-facilities based provider of resold operator services and long distance
8 telecommunications services, and therefore does not have facilities of its own in the State of
9 Arizona. Accordingly, Alternatel has neither plant and equipment nor office equipment and
10 office supplies within the State of Arizona. This Commission has recognized since at least 1995
11 in approving applications for CC&Ns for alternate operator service providers and resellers, that
12 such applications do not generally involve testimony concerning fair value rate base and rate of
13 return because such carriers do not have their own facilities in the state from which to make such
14 a traditional determination. See e.g. In re: Extelcom, Inc., dba Express Tel., Docket No. U-
15 2543-89-288 (Decision No. 58941, 1995 WL 131334 (A.A.C. January 12, 1995). Alternatel's
16 operations, therefore, are entirely consistent with the manner in which similarly situated
17 companies have received CC&Ns to conduct business in this State.

18 Respectfully submitted,

19
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21 STEPHEN H. KUKTA
22 1850 Gateway Drive, 7th Floor
23 San Mateo, CA 94404
24 650.513.2475
25 650.513.2737 (facsimile)

26 By: 

27 Darren S. Weingard

28 Senior Attorney

Attorneys for Applicant

ASC TELECOM, INC. dba ALTERNATEL

Dated this 27th day of December 2000 at San Mateo, California.